



Training Seminar on Port Reform

Marseilles, 27 September 2005

Stage 2: The Port Reform Process

Port Reform Experience in Israel



*Yizhar Baumer, Economist,
Ministry of Transport
Economics and Planning
Department*

Port Reform Experience in Israel

- 1 ► **Justification and objectives**
- 2 ► **Progress**
- 3 ► **Key problems**
- 4 ► **Planned major future actions**



Port Reform Experience in Israel

Justification and objectives

- Why does Israel need a real Port Reform?
- How important is Port Reform to the government?
- What public and private sector involvement do we need, and why?



Justification and Objectives

- Why does Israel need Port Reform?
 - Israel Ports Authority - uncompetitive climate (3 seaports)
 - Cross subsidies between ports and charges
 - Insufficient service criteria
 - Frequent strikes
 - High-priced charges

Justification and Objectives

- How important is Port Reform to the government?
 - important elements of the economic reform plan put forward by the Israeli government

Justification and Objectives

- What public and private sector involvement do we need, and why?
 - Public sector: Transport, Finance and Justice Ministries & Israel Land Administration
 - Private sector: Israel Shipyards, authorized corporations

Port Reform Experience in Israel

progress

- How do we envisage the public interest oversight?
- Legal framework progress / maturity
- Current status of Private Sector involvement



Progress

- How do we envisage the public interest oversight?
 - The Shipping and Ports Administration (Transport Ministry).
 - regulatory body, assuring that the ports maintain a competitive climate and operate their facilities in a safe and efficient manner in accordance with law.

Progress

- Legal framework progress / maturity
 - Shipping and Ports law
 - 4 government-owned companies: Israel Ports Development and Assets Company Ltd., Ashdod Port Company Ltd., Haifa Port Company Ltd. and Eilat Port Company Ltd.
 - The Shipping and Ports Administration

Progress

- Legal framework progress / maturity (cont..)
 - Agreement of principles on ports reform between the state and the employers
 - Workers will observe industrial peace
 - Agreed gradual privatization
 - Job security
 - Financial safety net
 - One-time payments

Port Reform Experience in Israel

Key Problems

- Magnitude of labor settlement issues



Port Reform Experience in Israel

Planned major future actions

- Is there a finalized Action Plan?



Planned major future actions

- Is there a finalized Action Plan?
 - Tariff reform
 - Quality of Service Criteria
 - Privatization
 - New ports construction